



Iowa Department of Human Services

Kim Reynolds
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Director

INFORMATIONAL LETTER NO.1823-MC

DATE: August 28, 2017

TO: All Iowa Medicaid Providers (Excluding Dental)

APPLIES TO: Managed Care

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Out-of-Network Reimbursement for Managed Care Claims

EFFECTIVE: Immediately

All claims for services provided to Managed Care Organization (MCO)-enrolled members must be submitted directly to the appropriate MCO, adhering to the MCO's claims submission and timeliness guidelines. If a provider sees an MCO-enrolled member which the provider is not enrolled with, the out-of-network provider will be reimbursed at 80 percent for all services. Reimbursement for covered services is additionally dependent on requirements of the member's MCO, such as prior authorization. Details on the rate floor can be found in Informational Letter No. [1562](#)¹ issued on October 27, 2015. The provider may accept the 80 percent out-of-network rate from the member's MCO or the provider may choose to contract with the member's MCO.

A provider who knowingly treats a Medicaid member cannot bill the member for the rate difference of services rendered. If a Medicaid provider refuses to accept the out-of-network rate, they cannot bill the patient directly. Members may be charged for services that are not covered by Iowa Medicaid, or are not medically necessary. However, per the Iowa Administrative Code 79.9(4) "Recipients must be informed before the service is provided that the recipient will be responsible for the bill if a non-covered service is provided."

If you have questions, please contact the IME Provider Services Unit at 1-800-338-7909 or email at imeproviderservices@dhs.state.ia.us.

¹ https://dhs.iowa.gov/sites/default/files/1562_ManagedCareOrganizationProviderReimbursementRateFloors.pdf